

Transaction Review Mechanism Policy

All transactions have gone through a review mechanism according to the type of transaction. Each transaction is analyzed for transaction eligibility, including credit analysis for credit transactions to related parties. Similarly, for investment transactions, an investment feasibility analysis has been carried out. Likewise with other related party transactions such as guarantees issued and placement with other banks. The Company is always committed to running a prudent business. All transactions have complied with applicable rules and regulations. The Company has also prepared a review mechanism policy for transactions through General Policy Number KU.1 dated September 29, 2022 concerning Credit or Bank Financing and Special Policy Number KK.1-A dated October 31, 2023 concerning Commercial Loan Procedures.

1. In General Policy No.1 dated September 29, 2022 concerning Bank Credit or Financing Policy Guidelines:

Provision of Credit or Financing to Parties Related to Banks and Certain Debtors/Large Customers

- a. The maximum limit on the amount of the entire provision of Credit or Financing facilities to be provided by the Bank to such parties is a percentage of the total amount of Credit or Financing and the amount of the Bank's capital based on the calculation of the Bank's Minimum Capital Provision Obligations.
- b. Procedures for providing Credit or Financing to these parties that will be syndicated, consortium and shared risk (risk sharing) with other Banks In providing Credit or Financing to the parties in question, the Bank must conduct a risk assessment of the Credit or Financing proposal that will be shared risk.

c. Credit or Financing Process

The Credit or Financing process for prospective Debtors/Customers who are parties related to the Bank or Debtors/Major Customers must follow the procedures or provisions applicable to the Bank and the provisions of the Maximum Credit Limit that has been regulated by the Financial Services Authority or banking regulators.

d. Terms and Conditions

The requirements for Credit or Financing, especially regarding the comparison of the Loan interest rate or Financing yield with those set for other Debtors/Customers as well as the form and type of collateral, are the same in accordance with the Bank's provisions that apply or are otherwise determined in a separate provision. The difference in terms and conditions is given by the Bank on the basis of a careful and objective assessment and analysis of Credit or Financing to the Debtor/Customer who meets the provisions and procedures for granting a healthy Credit or Financing, regardless of whether it is a related party to the Bank or the Debtor/Large Customer.

- 1) In providing Credit or Financing to Bank-Related Parties, it must do so in accordance with the general procedure for the Provision of Funds, namely the Procedure that is applied and applies equally to all Debtors/Prospective Debtors/Customers and still provides reasonable benefits for the Bank, and
- 2) **The provision of Credit or Financing to Bank-related Parties must be carried out with the approval of the Bank's Board of Commissioners.**

e. Maximum Lending Limit / Legal Lending Limit

- 1) The Bank must always comply with the provisions of the Maximum Credit Limit which refers to the provisions of the relevant laws and regulations and/or regulators; and

- 2) The number of Credit or Financing facilities that can be provided to the Debtor/Customer is up to the Maximum Credit Facility Limit stipulated by law. If the number of Credit or Financing facilities to Debtors/Customers, both individually and in total, will exceed the Maximum Credit Limit, then actions that can be excluded from the Maximum Credit Limit must be taken in accordance with the provisions of the regulator (either by conducting syndication, consortium or risk sharing with other banks).

2. Special Policy No.KK.1-A dated October 31, 2023 concerning *Commercial Loan Procedures* in Chapter V point 2.4 namely:

- a. **The Bank is prohibited from providing funds to related parties without the approval of the Board of Commissioners.**
- b. Granting credit to prospective debtors who have family relationships or who contain conflicts of interest with the Processor and/or Credit Terminator:
 - 1) The Officer/Officer of the Bank is not allowed to process and terminate the credit application submitted by himself or herself or his family up to the first degree and/or contains a conflict of interest with the Officer/Credit Processing Officer or Credit Termination Officer.
 - 2) If there is a credit application submitted by himself or his family up to the first degree and/or contains a conflict of interest with the Credit Processing Officer/Official, then the credit process must be transferred to another Credit Processing Officer/Official.
 - 3) If there is a credit application submitted by himself or his family up to the first degree and/or contains a conflict of interest with the Credit Termination Officer, then the authority to terminate the credit lies with the Approval Officer one level above.
 - 4) The reasons for the transfer of the credit process or credit decision-making caused by points i sampai and iii above must be informed in the Credit Analysis Tool.
 - 5) In the event that items 1) to 4) are not implemented by the officer/credit officer, then the officer/credit officer concerned will be subject to sanctions and processed in accordance with the applicable personnel provisions.
 - 6) What is meant by credit applications in points 1) to 3) above includes new/additional/extended/restructuring credit applications or credit settlements.
 - 7) The explanation of family relations refers to the provisions of the Regulator.

3. Limits of Credit Termination Authority

The Maximum Credit Improvement Limit is regulated in Special Policy No.KK.1-Q dated March 27, 2023 concerning the Limit of Authority to Send Credit or Financing for Corporate, Commercial and Small Medium Enterprises.